

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
COLUMBIA DIVISION**

Palmetto Consulting of Columbia, LLC,	)	Civil Action No.: 3:24-cv-5230-SAL
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	<b>COMPLAINT</b>
	)	<b>(Non-Jury)</b>
Timber Creek Casualty Insurance	)	<b>(Sum Certain)</b>
Company, Inc., Timber Creek	)	
Reinsurance, Inc., and Timber Creek	)	
Surety, Inc.,	)	
Defendants.	)	

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Plaintiff Palmetto Consulting of Columbia, LLC (“Palmetto”), complaining of Defendants Timber Creek Casualty Insurance Company, Inc. (“Timber Creek Casualty”), Timber Creek Reinsurance, Inc. (“Timber Creek Reinsurance”), and Timber Creek Surety, Inc. (“Timber Creek Surety”) hereby alleges that:

**PARTIES, JURISDICTION, AND VENUE**

1. Palmetto is a South Carolina Limited Liability Company in good standing with the state of South Carolina. Palmetto has a single member who is a resident of the state of South Carolina.
2. Timber Creek Casualty is an Alabama-domiciled corporation having its principal place of business in Montgomery, Alabama.
3. Timber Creek Reinsurance is an Alabama-domiciled corporation having its principal place of business in Montgomery, Alabama.
4. Timber Creek Surety is an Alabama-domiciled corporation having its principal place of business in Montgomery, Alabama.
5. This Court has Jurisdiction pursuant to 28 U.S.C. § 1332(a). The amount in controversy exceeds the sum or value of \$75,000 as to each Defendant, exclusive of interest and costs, and is between citizens of different states.
6. Palmetto and Timber Creek Casualty are parties to a Management Services and Consulting Agreement (the “Casualty Contract”) that requires legal disputes to be filed in state or federal courts in South Carolina, and Timber Creek Casualty, in the Casualty Contract, waived challenge to such venue. Pursuant to the Casualty Contract, South Carolina law controls.

7. Palmetto and Timber Creek Reinsurance are parties to a Management Services and Consulting Agreement (the “Reinsurance Contract”) that requires legal disputes to be filed in state or federal courts in South Carolina, and Timber Creek Reinsurance, in the Reinsurance Contract, waived challenge to such venue. Pursuant to the Reinsurance Contract, South Carolina law controls.
8. Palmetto and Timber Creek Surety are parties to a Management Services and Consulting Agreement (the “Surety Contract”) that requires legal disputes to be filed in state or federal courts in South Carolina, and Timber Creek Surety, in the Surety Contract, waived challenge to such venue. Pursuant to the Surety Contract, South Carolina law controls.

### **FACTUAL BACKGROUND**

#### **Allegations as to Palmetto and Timber Creek Casualty**

9. Palmetto and Timber Creek Casualty entered into the Casualty Contract on September 1, 2022, a copy of which is attached at **Exhibit A** hereto.
10. The Casualty Contract term is three years unless terminated pursuant to certain requirements. Casualty Contract at §§ 4.1-4.2.
11. Notice required or permitted under the Casualty Contract must be in writing and must be delivered to the other party. *Id.* at § 7.2.
12. Timber Creek Casualty sent Notice to Palmetto, on or around April 9, 2024, that it desired to exercise its termination rights pursuant to Section 4.2(vi) of the Casualty Contract (the “Casualty Termination Notice”, a copy of which is attached as **Exhibit B** hereto).
13. Timber Creek Casualty also sought to retroactively terminate the Casualty Contract as of December 31, 2023, but the Casualty Contract does not provide for retroactive termination.
14. Section 4.2(vi) of the Casualty Contract states “In consideration of Palmetto’s discounted fees at the inception of the agreement, the Company agrees to a \$50,000 termination fee for terminating the agreement . . . .”.
15. The Casualty Termination Notice terminated the Casualty Contract as of April 9, 2024.
16. The Casualty Termination Notice stated “the \$50,000 termination fee shall be paid [to Palmetto] upon receipt of the QuickBooks general ledger file and all supporting documentation and work papers.”
17. Palmetto tendered possession of the QuickBooks general ledger file and all supporting documentation and work papers to Timber Creek Casualty, but Timber Creek Casualty has failed to remit \$50,000 to Palmetto.

18. Timber Creek Casualty has also failed to remit payment for services rendered from January 1, 2024, through April 9, 2024. Upon information and belief, pursuant to the terms of the Casualty Contract, Timber Creek Casualty owes Palmetto \$55,269, which is 2.5% of the premiums written for the first quarter of 2024.
19. Timber Creek Casualty owes Palmetto the sum certain total of \$105,269.

**Allegations as to Palmetto and Timber Creek Reinsurance**

20. Palmetto and Timber Creek Reinsurance entered into the Reinsurance Contract on September 1, 2022, a copy of which is attached at **Exhibit C** hereto.
21. The Reinsurance Contract term is three years unless terminated pursuant to certain requirements. Reinsurance Contract at §§ 4.1-4.2.
22. Notice required or permitted under the Reinsurance Contract must be in writing and must be delivered to the other party. *Id.* at § 7.2.
23. Timber Creek Reinsurance sent Notice to Palmetto, on or around April 9, 2024, that it desired to retroactively terminate the Reinsurance Contract (the “Reinsurance Termination Notice”). A copy of the Reinsurance Termination Notice is attached as **Exhibit D** hereto.
24. Timber Creek Reinsurance, in the Reinsurance Termination Notice, cited a Reinsurance Contract provision justifying its retroactive termination that does not exist. *See* Reinsurance Termination Notice (citing Section § 4.2(vi) as allowing Timber Creek Reinsurance to “terminate the Agreement early.”). No provision of the Reinsurance Contract allows Timber Creek Reinsurance to retroactively terminate the Reinsurance Contract.
25. Timber Creek Reinsurance currently owes Palmetto for services rendered from September 1, 2022 through present, along with the agreed upon rate for services to be rendered through August 30, 2025.
26. Timber Creek Reinsurance owes Palmetto the sum certain total of \$150,000.

**Allegations as to Palmetto and Timber Creek Surety**

27. Palmetto and Timber Creek Surety entered into the Surety Contract on September 1, 2022, a copy of which is attached at **Exhibit E** hereto.
28. The Surety Contract term is three years unless terminated pursuant to certain requirements. Surety Contract at §§ 4.1-4.2.
29. Notice required or permitted under the Surety Contract must be in writing and must be delivered to the other party. *Id.* at § 7.2.

30. Timber Creek Surety sent Notice to Palmetto, on or around April 9, 2024, that it desired to retroactively terminate the Surety Contract (the “Surety Termination Notice”). A copy of the Surety Termination Notice is attached as **Exhibit F** hereto.
31. Timber Creek Surety, in the Surety Termination Notice, cited a Surety Contract provision justifying its retroactive termination that does not exist. *See* Surety Termination Notice (citing Section § 4.2(vi) as allowing Timber Creek Surety to “terminate the Agreement early.”). No provision of the Surety Contract allows Timber Creek Surety to retroactively terminate the Surety Contract.
32. Timber Creek Surety currently owes Palmetto for services rendered from September 1, 2022 through present, along with the agreed upon rate for services to be rendered through August 30, 2025.
33. Timber Creek Surety owes Palmetto the sum certain total of \$150,000.

**FOR A FIRST CAUSE OF ACTION AS TO TIMBER CREEK CASUALTY**  
**Breach of Contract**

34. Palmetto realleges and incorporates by reference the allegations herein as if set forth verbatim.
35. Palmetto and Timber Creek Casualty are parties to the Casualty Contract.
36. Palmetto performed its obligations under the Casualty Contract.
37. Timber Creek Casualty breached its obligations under the Casualty Contract as set forth above.
38. Palmetto has suffered sum certain damages from Timber Creek Casualty’s breaches totaling \$105,269.

**FOR A SECOND CAUSE OF ACTION AS TO TIMBER CREEK REINSURANCE**  
**Breach of Contract**

39. Palmetto realleges and incorporates by reference the allegations herein as if set forth verbatim.
40. Palmetto and Timber Creek Reinsurance are parties to the Reinsurance Contract.
41. Palmetto performed its obligations under the Reinsurance Contract.
42. Timber Creek Reinsurance breached its obligations under the Reinsurance Contract as set forth above.

43. Palmetto has suffered sum certain damages from Timber Creek Reinsurance's breaches totaling \$150,000.

**FOR A THIRD CAUSE OF ACTION AS TO TIMBER CREEK SURETY**  
**Breach of Contract**

44. Palmetto realleges and incorporates by reference the allegations herein as if set forth verbatim.
45. Palmetto and Timber Creek Surety are parties to the Contract.
46. Palmetto performed its obligations under the Surety Contract.
47. Timber Creek Surety breached its obligations under the Surety Contract as set forth above.
48. Palmetto has suffered sum certain damages from Timber Creek Surety's breaches totaling \$150,000.

**WHEREFORE**, Palmetto prays for the relief sought in this Complaint, including, but not limited to, actual damages, reasonable attorney's fees and costs, and pre-judgment interest.

**BELSER LAW FIRM, PA**

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September 20, 2024